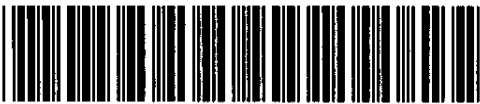
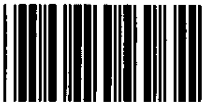
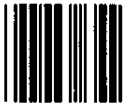
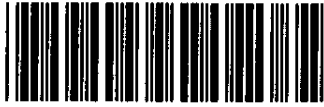


USDC SCAN INDEX SHEET



SLD 12/31/98 14:43

3:96-CV-01023 BRADLEY V. HOFFENBERG

\*255\*

\*DECL.\*

1 Timothy C. Karen SBN: 117071  
2 Law Offices of Timothy C. Karen  
3 12702 Via Cortina, Suite 100  
4 Del Mar, California 92014

5 Attorneys for Plaintiffs

FILED

98 DEC 29 PM 4:21

S. Denson  
DEPUTY

6  
7 UNITED STATES DISTRICT COURT  
8 FOR THE SOUTHERN DISTRICT OF CALIFORNIA

9  
10 PAUL F. CLARK, SR., et al.,

11 Plaintiffs,

12 v.

13 ANDOVER SECURITIES, INC., et al.

14 Defendants.  
15

Case No. 96-1023-JM (JFS)

DECLARATION OF TIMOTHY C.  
KAREN IN SUPPORT OF REQUEST  
FOR ENTRY OF DEFAULT

16 I, Timothy C. Karen, declare as follows:

17 1. That I am an attorney duly licensed to practice law in the State of  
18 California and admitted to this Court.

19 2. Plaintiffs have requested that default be entered against the Defendants  
20 listed below. These Defendants were timely served with the summons on the Second  
21 Amended Complaint and the Second Amended Complaint in this matter but have not  
22 filed a responsive pleading. Attached hereto as Exhibits "1" through "6" are copies  
23 of the proofs of service that have been filed for Defendants Jeffery A. Egan, Steven  
24 Enright, Enright Financial, R.G. Dickinson & Company, Wayne Morrison, and JINCO  
25 Leasing Corp., all of whom were served directly with the Second Amended Complaint.  
26 Defendant's Milton E. Metzler & M.E. Mezler Organization, Inc. and Robert H. Bucher  
27 were served with the MOTION FOR LEAVE TO FILE PROPOSED SECOND  
28 AMENDED COMPLAINT. Attached hereto as Exhibit "7" is a copy of the  
DECLARATION OF SERVICE OF MOTION FOR LEAVE TO FILE PROPOSED

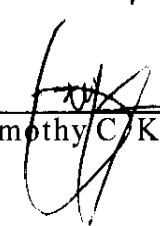
255

ORIGINAL

1 SECOND AMENDED COMPLAINT. In the ORDER GRANTING PLAINTIFFS'  
2 MOTION FOR LEAVE TO FILE SECOND AMENDED COMPLAINT ["ORDER"],  
3 Judge Napoleon A. Jones, Jr. ordered the Second Amended Complaint deemed filed and  
4 served upon the parties who have appeared in the action as of April 4, 1997, the file-  
5 stamped date of the order. A copy of the ORDER is hereto attached as Exhibit "8."  
6 Thus, the following Defendants were timely served on the dates set forth below and  
7 have not yet filed a responsive pleading:

8	<u>DEFENDANT</u>	<u>DATE SERVED</u>
9	Jeffery A. Egan	April 29, 1997
10	Steven Enright	November 17, 1998
11	Enright Financial	November 17, 1998
12	R.G. Dickinson & Company	November 22, 1998
13	Wayne Morrison	March 26, 1998
14	JINCO Leasing Corporation	March 26, 1998
15	Milton E. Metzler & M.E. Metzler Organization, Inc.	April 4, 1997
16	Robert H. Bucher	April 4, 1997

17 I declare under penalty of perjury under the laws of the State of California that  
18 the foregoing is true and correct. Executed on 12/29/98 in the  
19 County of San Diego, State of California.

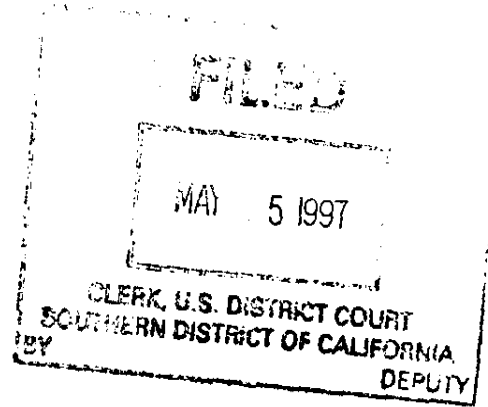
20 By:  \_\_\_\_\_  
21 Timothy C. Karen  
22  
23  
24  
25  
26  
27  
28



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20% Post Consumer Waste

Timothy C. Karen, Esq., SBN 117071  
Mary Smigielski, Esq., SBN 167829  
LAW OFFICES OF TIMOTHY C. KAREN  
12702 Via Cortina, Suite 100  
Del Mar, California 92014  
(619) 259-7790

Attorneys for Plaintiffs



UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF CALIFORNIA

WILLIAM D. and EDITH L.  
BRADLEY, et al.,

Plaintiffs,

v.

STEVEN HOFFENBERG A/K/A BARRY  
COHEN, et al.,

Defendants.

Case No. 96-1023-J (JFS)

PROOF OF SERVICE OF DEFENDANT  
JEFFREY A. EGAN

Date Served: April 29, 1997

Attached hereto is the proof of service for Defendant JEFFREY A.  
EGAN who was served by process server Dianne Carolan on April 29, 1997.

Dated: 5-14-97

By: 

Mary A. Smigielski, Attorney  
for Plaintiffs

LAW OFFICES OF TIMOTHY C. KAREN  
VILLA CORTINA, SUITE 100  
12702 VIA CORTINA  
DEL MAR, CALIFORNIA 92014  
TELEPHONE (619) 259-7790  
FACSIMILE (619) 259-6817

COPY

**STATE OF CALIFORNIA**  
**U.S. DISTRICT COURT, SOUTHERN DISTRICT OF CALIFORNIA**

**Re: Bradley, et al. v Andover Securities, et al.**  
**U.S. District Court, Southern District of California**  
**Case No. 96-1023-J (JFS)**

\_\_\_\_\_  
Law Offices of:  
Timothy C. Karen  
12702 Via Cortina, Suite 100  
Del Mar, California 92014  
(619) 259-7790

**PROOF OF SERVICE**

Dianne Carolan, first being duly sworn, deposes and states that on the 29th day of April, 1997, she did personally serve the following items; Summons on Second amended complaint; Second Amended Complaint; Order Granting Plaintiffs Motion for Leave to File Second Amended Complaint; Notice and Order for Continued Neutral Evaluation Conference upon Jeffrey A. Egan located at 6181 Eastmoor, Bloomfield Hills, Michigan 48301.

**I DECLARE THAT THE ABOVE STATEMENTS ARE TRUE TO  
THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF**

Notary: \_\_\_\_\_

Expiration: \_\_\_\_\_

JANE BRAMLETT, NOTARY PUBLIC  
OAKLAND COUNTY, MICHIGAN  
MY COMMISSION EXPIRES 12-11-01

Dianne Carolan  
Dianne Carolan, Process Server

COPY



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20% Post Consumer Waste

COPY

1 Timothy C. Karen SBN: 117071  
2 Law Offices of Timothy C. Karen  
3 12702 Via Cortina, Suite 100  
4 Del Mar, California 92014

5 Attorneys for Plaintiffs

FILED

98 DEC -1 PM 4:45

CLERK, U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

BY:

DEPUTY

7 UNITED STATES DISTRICT COURT  
8 FOR THE SOUTHERN DISTRICT OF CALIFORNIA

10 PAUL F. CLARK, SR., et al.,

11 Plaintiffs,

12 v.

13 ANDOVER SECURITIES, INC., et al.  
14 Defendants.

) Case No. 96-1023- JM (JFS)

) PROOF OF SERVICE OF  
) DEFENDANT STEVEN ENRIGHT

) Date Served: November 17, 1998

18 Attached hereto is the affidavit of service for Defendant STEVEN ENRIGHT  
19 who was served by process server Gregory Mazarella on November 17, 1998.

21 Dated: December 1, 1998

By: 

Hillary Ronen



AFFIDAVIT OF SERVICE

TYPE OF PROCESS: Summons and Complaint

SERVED: Steven Enright TELEPHONE: \_\_\_\_\_

ADDRESS: 243 River Drive, Riverdale, NJ -7675

ATTORNEY: Law Offices of Timothy C. Karen, Mary Smigielski, Esq.

COURT: U.S. District Court, Southern District of California

DOCKET #: 96-1023-J (JFS)

Paul F. Clark, et al.

PLAINTIFF(s)

vs.

Andover Securities, et al.

DEFENDANT(s)

Received this process on the 14th day of November, 1998, and served the same on the within named Defendant at 8:23 P.M., on the 17th day of November, 1998, in Morris County, located in the State of New Jersey.

SERVICE WAS EXECUTED IN THE FOLLOWING MANNER:

INDIVIDUAL SERVICE: By delivering to the within named person a true copy of this process along with a copy of the complaint, petition or other initial pleading or paper as indicated above.

XX SUBSTITUTE SERVICE: By leaving a true copy of this process along with a copy of the complaint, petition, or other initial pleading or paper as indicated above, at the within named person's usual place of abode, business with Mrs. S. Enright being a person residing at the said address, fourteen years of age or older, and informing such person of their contents.

CORPORATION SERVICE: By delivering a true copy of this process with the date and hour of service endorsed thereon by me and a copy of the complaint, petition or other initial pleading or paper as indicated above to, \_\_\_\_\_ a \_\_\_\_\_ of \_\_\_\_\_, a Corporation.

NON-SERVICE: By returning the same this \_\_\_\_\_ day of \_\_\_\_\_, 1998, for the reason that after diligent search and inquiry the above named could not be located in \_\_\_\_\_ County, State of \_\_\_\_\_, for the following reason: \_\_\_\_\_

DESCRIPTION

AGE: 36 RACE: White HGT: 5'6" WGT: 125 HAIR: L. Br.

I CERTIFY THAT I AM OVER THE AGE OF 18, NOT A PARTY IN THE ABOVE TITLED ACTION, AND AM LEGALLY PERMITTED TO SERVE PROCESS IN THE JUDICIAL CIRCUIT IN WHICH THE PROCESS WAS SERVED.

SWORN AND SUBSCRIBED BEFORE ME THIS 18 DAY OF Nov, 1998.

NOTARY PUBLIC

HOWARD APPEL  
NOTARY PUBLIC OF NEW JERSEY



FILED

98 DEC -1 PM 4:46

CLERK, U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

1 Timothy C. Karen SBN: 117071  
2 Law Offices of Timothy C. Karen  
3 12702 Via Cortina, Suite 100  
4 Del Mar, California 92014

Attorneys for Plaintiffs

BY:

DEPUTY

5  
6  
7 UNITED STATES DISTRICT COURT  
8 FOR THE SOUTHERN DISTRICT OF CALIFORNIA  
9

10 PAUL F. CLARK, SR., et al.,

11 Plaintiffs,

12 v.

13 ANDOVER SECURITIES, INC., et al.  
14 Defendants.  
15  
16  
17

) Case No. 96-1023- JM (JFS)

) PROOF OF SERVICE OF  
) DEFENDANT STEVEN ENRIGHT

) Date Served: November 17, 1998

18 Attached hereto is the affidavit of service for Defendant STEVEN ENRIGHT  
19 who was served by process server Gregory Mazarella on November 17, 1998.

20  
21 Dated: December 1, 1998

By: 

Hillary Ronen

COPY

AFFIDAVIT OF SERVICE

TYPE OF PROCESS: Summons and Complaint

SERVED: Steven Enright TELEPHONE: \_\_\_\_\_

ADDRESS: 243 River Drive, Riverdale, NJ -7675

ATTORNEY: Law Offices of Timothy C. Karen, Mary Smigielski, Esq.

COURT: U.S. District Court, Southern District of California

DOCKET #: 96-1023-J (JFS)

Paul F. Clark, et al.

vs.

Andover Securities, et al.

PLAINTIFF(s)

DEFENDANT(s)

Received this process on the 14th day of November, 1998, and served the same on the within named Defendant at 8:23 P.M., on the 17th day of November, 1998, in Morris County, located in the State of New Jersey.

SERVICE WAS EXECUTED IN THE FOLLOWING MANNER:

INDIVIDUAL SERVICE: By delivering to the within named person a true copy of this process along with a copy of the complaint, petition or other initial pleading or paper as indicated above.

XX SUBSTITUTE SERVICE: By leaving a true copy of this process along with a copy of the complaint, petition, or other initial pleading or paper as indicated above, at the within named person's usual place of abode, business with Mrs. S. Enright being a person residing at the said address, fourteen years of age or older, and informing such person of their contents.

CORPORATION SERVICE: By delivering a true copy of this process with the date and hour of service endorsed thereon by me and a copy of the complaint, petition or other initial pleading or paper as indicated above to, \_\_\_\_\_ a \_\_\_\_\_ of \_\_\_\_\_, a Corporation.

NON-SERVICE: By returning the same this \_\_\_\_\_ day of \_\_\_\_\_, 1998, for the reason that after diligent search and inquiry the above named could not be located in \_\_\_\_\_ County, State of \_\_\_\_\_, for the following reason: \_\_\_\_\_

DESCRIPTION

AGE: 36 RACE: White HGT: 5'6" WGT: 125 HAIR: L. Br.

I CERTIFY THAT I AM OVER THE AGE OF 18, NOT A PARTY IN THE ABOVE TITLED ACTION, AND AM LEGALLY PERMITTED TO SERVE PROCESS IN THE JUDICIAL CIRCUIT IN WHICH THE PROCESS WAS SERVED.

SWORN AND SUBSCRIBED BEFORE ME THIS 18 DAY OF Nov, 1998.

NOTARY PUBLIC

HOWARD APPEL  
NOTARY PUBLIC OF NEW JERSEY



**Timothy C. Karen SBN: 117071**  
**Law Offices of Timothy C. Karen**  
**12702 Via Cortina, Suite 100**  
**Del Mar, California 92014**

**Attorneys for Plaintiffs**

FILED

98 NOV 25 PM 4:38

CLERK, U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

AY:

DEPUTY

UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF CALIFORNIA

PAUL F. CLARK, SR., et al.,

Plaintiffs,

v.

ANDOVER SECURITIES, INC., et al.  
Defendants.

Case No. 96-1023- JM (JFS)

DECLARATION OF SERVICE OF  
DEFENDANT R.G. DICKINSON &  
COMPANY, AN IOWA  
CORPORATION

Date Served: November 22, 1998

I, the undersigned, declare as follows:

1. I am over the age of eighteen years and not a party to this action.

2. I served the above-named person with the Summons and Second Amended Complaint in this action by mailing the copies to the person served addressed as follows by first-class mail, postage prepaid on November 12, 1998 from San Diego, California to an address outside California with return receipt requested:

**R.G. DICKINSON & COMPANY**  
c/o Fred Dietrich, Agent For Service Of Process  
405 6<sup>th</sup> Ave., Suite 200  
Des Moines, IA 50309

3. Such service is authorized pursuant to Federal Rule of Civil Procedure ) which allows for service pursuant to the law of the state in which the district is located. Pursuant to California CCP § 415.40, service is authorized on persons

outside the state by certified mail with return receipt requested and service is effective ten days after mailing.

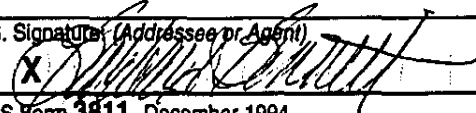
4. The original return receipt is attached hereto and incorporated herein by reference.

5. My business address is Law Offices of Timothy C. Karen, 12702 Via Cortina, Suite 100, Del Mar, CA 92014, (619) 259-7790.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed in the County of San Diego, State of California on November 25, 1998.

By: Hillary Ronen  
Hillary Ronen

Is your RETURN ADDRESS completed on the reverse side?	<b>SENDER:</b> ■ Complete Items 1 and/or 2 for additional services. ■ Complete Items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
	3. Article Addressed to: R.G. DICKINSON'S Co. 90 FRED DIETRICH AGENT FOR SERVICE OF PROCESS 405 6th Ave., Ste. 200 DES MOINES, IA 50309		4a. Article Number 413 899627	
	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD		7. Date of Delivery	
	5. Received By: (Print Name)		8. Addressee's Address (Only if requested and fee is paid)	
6. Signature (Addressee or Agent) 		7. Date of Delivery		
PS Form 3811, December 1994		102595-97-B-0179 Domestic Return Receipt		

Thank you for using Return Receipt Service.





1 Timothy C. Karen, Esq., SBN 117071  
2 LAW OFFICES OF TIMOTHY C. KAREN  
3 12702 Via Cortina, Suite 100  
4 Del Mar, California 92014  
5 (619) 259-7790

6 Attorneys for Plaintiffs

FILED  
98 OCT -8 PM 4:43  
CLERK, U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

BY: DEPUTY

7 UNITED STATES DISTRICT COURT  
8 FOR THE SOUTHERN DISTRICT OF CALIFORNIA  
9

10 WILLIAM D. and EDITH L. BRADLEY, et  
11 al.,

12 Plaintiffs,

13 v.

14 STEVEN HOFFENBERG A/K/A BARRY  
15 COHEN, et al.,

16 Defendants.

) Case No. 96-1023-JM (JFS)

) DECLARATION OF SERVICE OF  
) SUMMONS AND SECOND AMENDED  
) COMPLAINT ON DEFENDANT WAYNE  
) MORRISON

) Date Served: March 26, 1998

17 I, the undersigned, declare as follows:

18 1. I am over the age of eighteen years and not a party to this action.

19 2. I served the above-named person with the Summons on Second Amended Complaint  
20 and Second Amended Complaint in this action by mailing the copies to the person served addressed  
21 as follows by first-class mail, postage prepaid on March 16, 1998 from San Diego, California to an  
22 address outside California with return receipt requested:

23 WAYNE MORRISON  
24 5770 E. Nassau Place  
Englewood, CO 80111

25 3. Such service is authorized pursuant to Federal Rule of Civil Procedure 4(e)(1) which  
26 allows for service pursuant to the law of the state in which the district court is located. Pursuant to  
27 California CCP § 415.40, service is authorized on persons outside the state by certified mail with return  
28 receipt requested and service is effective ten days after mailing.

1           4.     The original return receipt is attached hereto and incorporated herein by reference.

2           5.     My business address is Law Offices of Timothy C. Karen, 12702 Via Cortina, Suite 100,  
3 Del Mar, CA 92014, (619) 259-7790.

4           I declare under penalty of perjury under the laws of the State of California that the foregoing  
5 is true and correct.

6           Executed in the County of San Diego, State of California on October 6, 1998.

7

8

By: Stewart Hindley  
Stewart Hindley

9

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Is your RETURN ADDRESS completed on the reverse side?

<b>SENDER:</b> ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
3. Article Addressed to: Wayne Morrison 5770 E NASSAU PL Englewood, CO 80111	4a. Article Number 413 899 614	Thank you for using Return Receipt Service.
	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
	7. Date of Delivery 3-1-94	
5. Received By: (Print Name) KATHY MORRISON	8. Addressee's Address (Only if requested and fee is paid)	
6. Signature: (Addressee or Agent) X <i>Kathy Morrison</i>		

PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt



1 Timothy C. Karen, Esq., SBN 117071  
2 LAW OFFICES OF TIMOTHY C. KAREN  
12702 Via Cortina, Suite 100  
Del Mar, California 92014  
3 (619) 259-7790

4 Attorneys for Plaintiffs

FILED

98 OCT -8 PM 4:43

CLERK, U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

BY:

DEPUTY

5  
6 UNITED STATES DISTRICT COURT  
7 FOR THE SOUTHERN DISTRICT OF CALIFORNIA  
8

9 WILLIAM D. and EDITH L. BRADLEY, et  
10 al.,

11 Plaintiffs,

12 v.

13 STEVEN HOFFENBERG A/K/A BARRY  
COHEN, et al.,

14 Defendants.  
15

Case No. 96-1023-JM (JFS)

DECLARATION OF SERVICE OF  
SUMMONS AND SECOND AMENDED  
COMPLAINT ON DEFENDANT JINCO  
LEASING CORP. DBA JINCO  
FINANCIAL CORP.

Date Served: March 26, 1998

16 I, the undersigned, declare as follows:

17 1. I am over the age of eighteen years and not a party to this action.

18 2. I served the above-named person with the Summons on Second Amended Complaint  
19 and Second Amended Complaint in this action by mailing the copies to the person served addressed  
20 as follows by first-class mail, postage prepaid on March 16, 1998 from San Diego, California to an  
21 address outside California with return receipt requested:

22 JINCO LEASING CORP.  
C/O Wayne Morrison, Agent for Service of Process  
23 5770 E. Nassau Place  
Englewood, CO 80111  
24

25 3. Such service is authorized pursuant to Federal Rule of Civil Procedure 4(e)(1) which  
26 allows for service pursuant to the law of the state in which the district court is located. Pursuant to  
27 California CCP § 415.40, service is authorized on persons outside the state by certified mail with return  
28 receipt requested and service is effective ten days after mailing.


1 4. The original return receipt is attached hereto and incorporated herein by reference.

2           5.       My business address is Law Offices of Timothy C. Karen, 12702 Via Cortina, Suite 100,  
3       Del Mar, CA 92014, (619) 259-7790.

4 I declare under penalty of perjury under the laws of the State of California that the foregoing  
5 is true and correct.

6 Executed in the County of San Diego, State of California on October 6, 1998.

By: Stewart Hindley  
Stewart Hindley

<b>SENDER:</b> ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: JINCO Leasing Corp. C/o Wayne Morrison Agent for Service of Process 5770 E NASSAU PI. Englewood CO 80111		4a. Article Number 413 899 612	
		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
5. Received By: (Print Name)		7. Date of Delivery 3-19	
6. Signature: (Addressee or Agent) X 		8. Addressee's Address (Only if requested and fee is paid)	

PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.





UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF CALIFORNIA

WILLIAM D. and EDITH L.	)	Case No. 96-1023-J (JFS)
BRADLEY, et al.,	)	
Plaintiffs,	)	DECLARATION OF SERVICE OF
	)	MOTION FOR LEAVE TO FILE
	)	PROPOSED SECOND AMENDED
v.	)	COMPLAINT
	)	
ANDOVER SECURITIES, a Missouri	)	Date Served: March 10, 1997
corporation, et al.,	)	Hearing Date: April 7, 1997
	)	Time: 10:30 a.m.
Defendants.	)	Courtroom: 5
	)	Judge: The Honorable Napoleon
	)	A. Jones, Jr.

I, the undersigned, declare as follows:

1. I am over the age of eighteen years and not a party to this action.

2. I am employed in the County of San Diego, State of California, in which county the within-mentioned mailing occurred. My business address is Law Offices of Timothy C. Karen, 12702 Via Cortina, Suite 100, Del Mar, California 92014.

3. I am readily familiar with the firm's practice for collection and processing of correspondence for mailing with the United States Postal Service. Such correspondence is deposited with the United States Postal Service the same day in the ordinary course of business.

COPY

1  
2 4. On the date set forth below, I served a true and correct  
3 copy of the following paper(s), to wit:

- 4 a. NOTICE OF MOTION AND MOTION FOR LEAVE TO FILE  
5 PROPOSED SECOND AMENDED COMPLAINT;  
6 b. MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF  
7 MOTION FOR LEAVE TO FILE PROPOSED SECOND AMENDED  
8 COMPLAINT;  
9 c. DECLARATION OF TIMOTHY C. KAREN IN SUPPORT OF MOTION  
10 FOR LEAVE TO FILE PROPOSED SECOND AMENDED COMPLAINT;  
11 d. SECOND AMENDED COMPLAINT.

12 by placing a copy thereof in a separate envelope to each addressee  
13 as set forth on the list attached hereto and incorporated herein by  
14 reference.

15 5. I then sealed each envelope and placed each envelope for  
16 collection and mailing on the date set forth below, at the Law  
17 Offices of Timothy C. Karen, following ordinary business practices.

18 6. I am aware that on motion of the party served, service is  
19 presumed invalid if postal cancellation date or postage meter date  
20 is more than one day after the date of deposit for mailing in  
21 affidavit.

22 I declare under penalty of perjury under the laws of the State  
23 of California that the foregoing is true and correct.

24 Executed in the County of San Diego, State of California on  
25 March 10, 1997.

26  
27 By:   
28

Carla Ott

Tel: (206) 340-1825  
Fax: (206) 623-4363

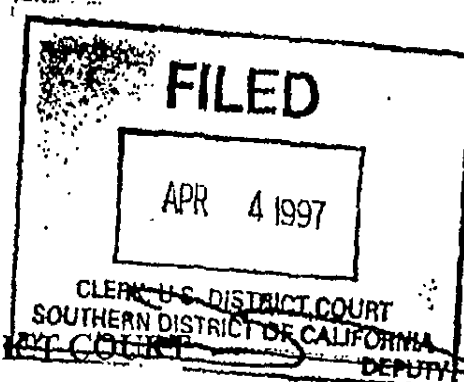
Robert H. Bucher  
736 Vine St.  
Denver, CO 80206  
Tel: (800)214-7633

In Pro Per and on behalf of  
Defendant ANDOVER SECURITIES, a  
Missouri corporation

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

WILLIAM D. and EDITH L. BRADLEY  
et al.,  
  
Plaintiffs,  
  
vs.  
  
ANDOVER SECURITIES, a Missouri  
corporation, et al.,  
  
Defendants.

CASE NO. 96-1023-J (JFS)

ORDER GRANTING PLAINTIFFS'  
MOTION FOR LEAVE TO FILE  
SECOND AMENDED  
COMPLAINT

Before the court is a motion for leave to file a second amended complaint. For the reasons set forth below, the court grants plaintiffs' motion.

**BACKGROUND**

On June 7, 1996, a complaint in this action was filed by 72 plaintiffs against 74 defendants. On September 24, 1996, a first amended complaint was filed, which added at least 59 plaintiffs and 24 defendants. Plaintiffs are investors in promissory notes issued by Towers Financial Corporation. Plaintiffs allege that the total note offerings formed the core of the largest Ponzi scheme in United States history (Plaintiffs' Mem. at 2). In this action, plaintiffs are suing the brokerage houses and stockbrokers who sold them the Towers investments (Plaintiffs' Mem. at 1).

Plaintiffs move for leave to file a second amended complaint for several reasons. First, plaintiffs seek to correct clerical errors and errors in the names of some of the parties set forth in the first amended complaint. Second, plaintiffs seek to add several new defendants who were not

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1 previously named due to a mistake in their identity. Third, plaintiffs seek to delete the names of  
2 plaintiffs who have dismissed their claims. Fourth, plaintiffs wish to include further allegations  
3 regarding class action tolling. Fifth, plaintiffs wish to revise their substantive allegations based upon  
4 further investigation and research (Plaintiffs' Mem. at 2).

5 Defendants Gill & Associates, Inc. and Ted Gill (collectively "the Gill defendants") have filed  
6 a non-opposition to plaintiffs' present motion. The Gill defendants, however, filed a motion to  
7 dismiss on February 27, 1997, which is scheduled to be heard on May 27, 1997. The Gill defendants  
8 argue that plaintiffs' first amended complaint and proposed second amended complaint fail to allege  
9 venue or jurisdictional facts. The Gill defendants state that they do not oppose plaintiffs' present  
10 motion as long as their motion to dismiss remains on calendar and is deemed responsive to the  
11 proposed second amended complaint.

#### 12 DISCUSSION

13 Rule 15(a) of the Federal Rules of Civil Procedure provides in relevant part that a party may  
14 amend his or her pleading "only by leave of court or by written consent of the adverse party; and  
15 leave shall be freely given when justice so requires." Fed. R. Civ. P. 15(a). As its language suggests,  
16 Rule 15(a) is liberally construed. Morongo Band of Mission Indians v. Rose, 893 F.2d 1074, 1079  
17 (9th Cir. 1990). Leave to amend is to be freely granted unless there would be prejudice to the  
18 opposing party, the motion to amend is brought in bad faith, amendment would be futile or cause  
19 undue delay, or the moving party has failed to cure deficiencies in previous amendments. See, e.g.,  
20 Kaplan v. Rose, 49 F.3d 1363, 1370 (9th Cir. 1994), cert. denied, 116 S. Ct. 58 (1995) ("A district  
21 court's denial of leave to amend is reviewed for an abuse of discretion, keeping in mind the strong  
22 policy in favor of allowing amendment, and considering four factors: bad faith, undue delay,  
23 prejudice to the opposing party, and the futility of amendment"); DCD Progs., Ltd. v. Leighton, 833  
24 F.2d 183, 186 (9th Cir. 1987).

25 In light of the liberal mandate of Rule 15(a), the court grants plaintiffs' motion for leave to file  
26 a second amended complaint. Many of the changes plaintiffs seek to make are purely technical, and  
27 any new substantive allegations are based on the same set of facts alleged in the original and first  
28 amended complaints. Thus, the court finds that already named defendants will not be prejudiced. In

1 addition, there is no indication that proposed defendants will be prejudiced. Plaintiffs state that they  
2 will immediately notify any new defendants of the pendency of this action (Plaintiffs' Mem. at 5).

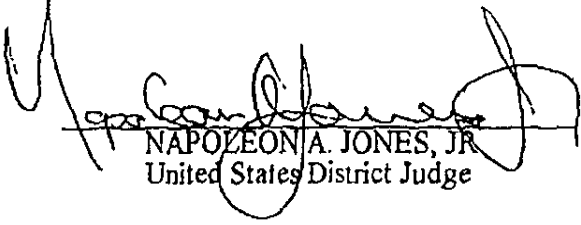
3 As to the Gill defendants' motion to dismiss, the court will keep their motion on calendar, and  
4 will deem it responsive to plaintiffs' proposed second amended complaint.

5 **CONCLUSION**

6 Having considered plaintiffs' motion and finding good cause, the court hereby **GRANTS**  
7 plaintiffs' motion for leave to file a second amended complaint. The second amended complaint shall  
8 be deemed filed and served upon the parties who have appeared and remain in this action as of the  
9 file-stamped date of this order.

10 **IT IS SO ORDERED.**

11  
12 DATED: April 2, 1997

13   
14 NAPOLEON A. JONES, JR.  
15 United States District Judge

16 cc: MAGISTRATE JUDGE JAMES F. STIVEN

17 ALL PARTIES  
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